

are deducted and allowances made for vacancies and non-collection of rents on rented properties to obtain the net return. An estimate of imputed rent for owner-occupied houses is also included. While such houses are consumption goods, the occupation of them involves an addition to the income of the owner-occupants.

Section 3.—British and Foreign Capital Invested in Canada and Canadian Capital Invested Abroad

The latest information available under this Section is given at pp. 798-800 of the 1942 edition of the Year Book. So far as this subject relates to the balance of international payments, it is dealt with in the official report "Canadian Balance of International Payments—A Study of Methods and Results" obtainable from the Dominion Statistician, Ottawa. This report is summarized at pp. 552-562 of this volume.

PART II.—DOMINION, PROVINCIAL AND MUNICIPAL FINANCE

Section 1.—Combined Statistics of Public Finance for All Governments*

The purpose of this Section is to present combined statistics of public finance for all Governments of Canada—Dominion, Provincial and Municipal. While it was possible to publish current statistics of the combined debt of all governments, corresponding information concerning combined revenues and expenditures was not available at the time of publication. Consequently, Table 1 presents the combined debt of all governments as at the governmental fiscal year ends nearest Dec. 31, 1943, while the combined revenues and expenditures presented in Tables 3 and 4, respectively, are for governmental fiscal years ended nearest Dec. 31, 1942.

Combined Debt.—The statistics of provincial and municipal debt appear in greater detail in Tables 34 and 41, respectively. The Dominion debt has been assembled on the basis used for the statistics of the 1945 Dominion-Provincial Relations Conference. This involved the inclusion of certain liability items which were omitted from the statistics presented in this section of previous Year Books. Consequently, the figures of combined debt in Table 2 have been revised to the new basis.

The rapid growth of the combined debt during the war period 1940-43, as shown in Table 2, has been due to the fact that large increases in the Dominion debt have overshadowed considerable reductions in provincial and municipal debt. However, it should be noted that the Dominion has been able to finance the war without recourse to the issue of foreign pay bonds, and that the large increase in bonds outstanding represents additions to internal rather than external debt. Largely as a result of the repatriation of sterling issues, the amount of Dominion, direct and guaranteed foreign pay bonds outstanding has declined by more than \$700,000,000 in the period 1940-43. As pointed out on p. 956, the amount of provincial foreign pay bonds declined during the same period by approximately \$100,000,000.

* Revised under the direction of J. H. Lowther, Chief, Public Finance Branch, Dominion Bureau of Statistics.